

Chapter 7

Customizing

QuickBooks

Objectives

After completing this chapter, you should be able to:

- Modify QuickBooks *Preferences* (page 206)
- Customize QuickBooks menus and windows (page 208)
- Customize the *Icon Bar* and display settings (page 210)
- Use the *Item List* and other Lists (page 212)
- Use Custom Fields to track extra data on transactions (page 223)
- Create and customize sales forms (page 224)

Restore this File:

This chapter uses the Customizing-12.QBW. To open this file, restore the Customizing-12.QBM file to your hard disk. See page 8 for instructions on restoring files. If you are using QuickBooks Premier Accountant, we recommend that you toggle to QuickBooks Premier General Business as described on page x.

QuickBooks has many customizable options that allow you to configure the program to meet your own needs and preferences. This chapter introduces you to many of the ways you can make these configurations in QuickBooks using *Preferences*, customizing the *Home* page, menus, and toolbars, and creating templates for forms. This chapter also introduces some new lists, including the *Item List*, the *Terms List*, and the *Template List*.

QuickBooks Preferences

There are two types of *Preferences* in QuickBooks:

1. **User Preferences.** In QuickBooks, User Preferences are specific to the user who is currently logged on to the file. You can identify User Preferences on the *My Preferences* tab in the *Preferences* window. A user can make changes to his or her User Preferences as desired. The changes will not affect other users of the data file. Examples of User Preferences include changing displays setting (e.g., colors), report settings, and spell check settings.
2. **Company Preferences.** Use Company Preferences to make global changes to the features and functionality of an individual company's data file. For example, the *Preference* that turns Sales Tax Tracking on or off is a Company Preference. Only the *Administrator* of the data file can make changes to Company Preferences. Note that each company's *Preferences* are independent of the *Preferences* established for other QuickBooks companies on your computer.

In this section, you will learn about a few of these *Preferences* and how they affect QuickBooks. Clicking the *Help* button in the *Preferences* window will launch QuickBooks Help with specific topics relevant to the *Preference* in the open window.

Note:

Many of the *Preferences* are discussed in detail in other chapters. For example, the payroll preferences are discussed in the “Payroll Setup” chapter, beginning on page 299.

Setting User Preferences

COMPUTER PRACTICE

To access QuickBooks Preferences, follow these steps:

Step 1. Select the **Edit** menu, and then select **Preferences**.

User Preferences – Desktop View

Use the *Desktop View* User Preferences (“*My Preferences*” tab) to customize the view of the current user.

Step 2. Click the **Desktop View** icon. See Figure 7-1.

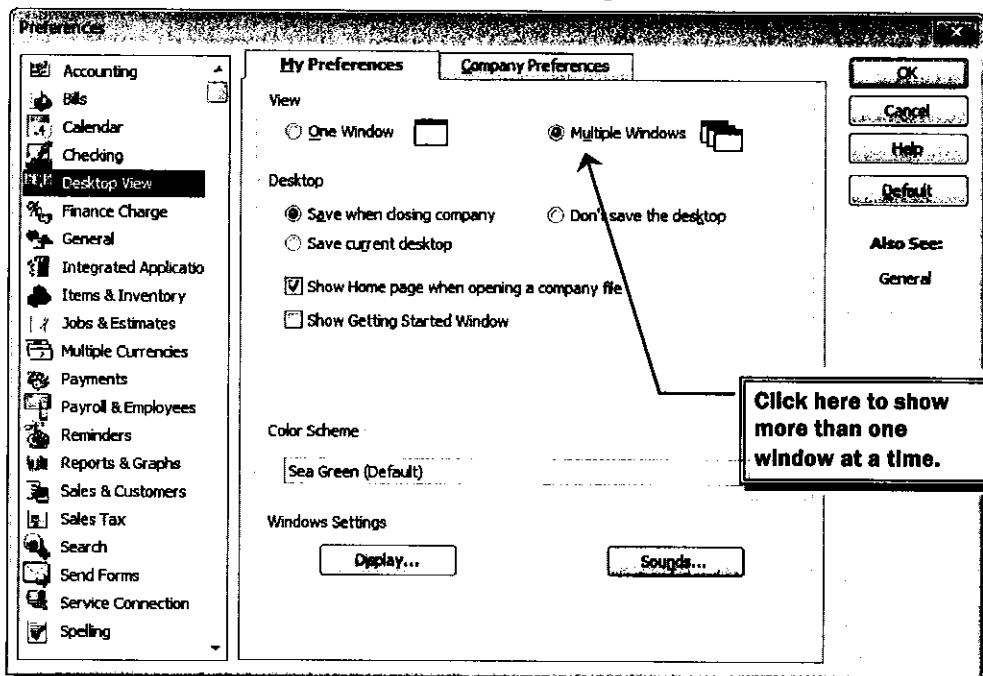


Figure 7-1 User Preferences - Desktop View

The user preferences for *Desktop View* allow you to customize the default windows that show when you open QuickBooks. We recommend selecting *Multiple Windows* as shown on Figure 7-1. When you first create a data file, QuickBooks selects *One Window* as the default Preference. Unless you change the Preference to *Multiple Windows*, you will not be able to display more than one QuickBooks window at a time, and you will not be able to change the size of QuickBooks windows. You will probably find the program much easier to navigate if you select *Multiple Windows*. You can also change the color and graphics of QuickBooks toolbars and windows by selecting a different default from the *Color Scheme* drop down menu.

There is also the *Show Home page when opening a company file* option. Activating this Preference causes the new *Home* page window to be displayed whenever the company file is opened.

Tip:

If you use QuickBooks in a multi-user environment, it may be best to select the *Don't save the desktop* radio button on the window shown in Figure 7-1. If you save the desktop, each time you open QuickBooks it will re-open all of the windows and reports you were viewing when you last used the program. If you save the desktop, this may negatively impact performance for other users when they open the data file.

Company Preferences – Desktop View

Administrators may use the *Company Preferences* tab in the *Desktop View* Preferences to control which icons display on the *Home* page. These settings will affect every user who uses this company file.

Step 3. With the *Desktop View Preference* still selected, click the **Company Preferences** tab (see Figure 7-2).

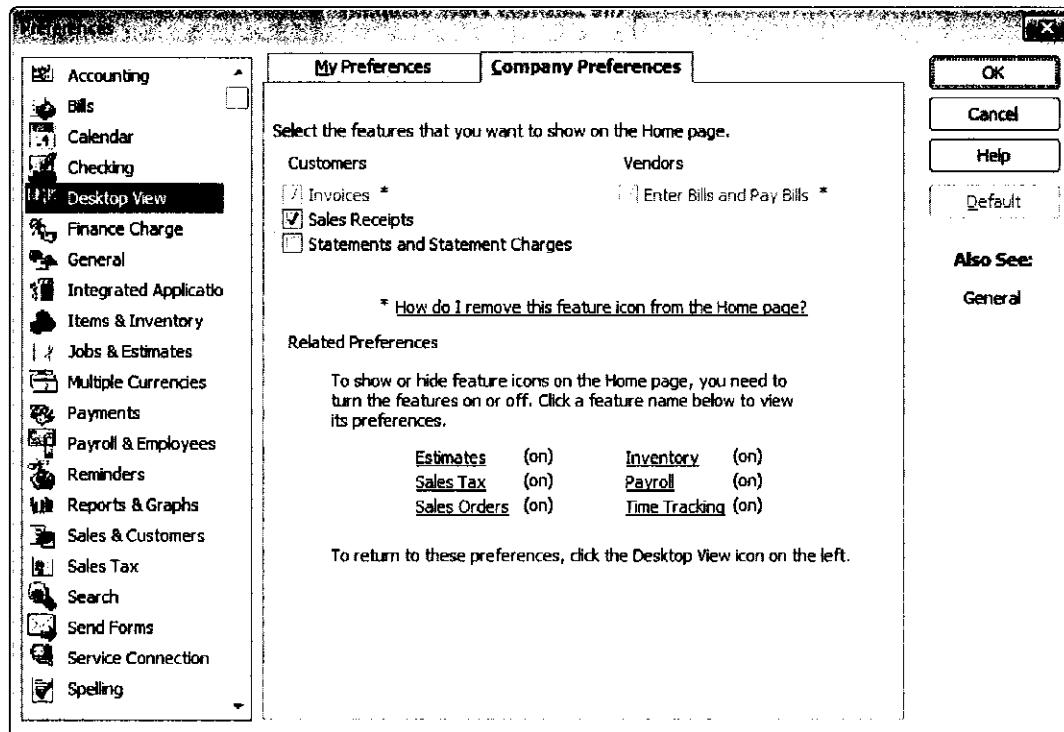


Figure 7-2 The Desktop View—Company Preferences window

Step 4. Click the **Statements and Statement Charges** checkbox to deselect.

In this window, you can remove some icons from displaying on the *Home* page. Turning off the icon on the *Home* page does not disable the feature, since you can access the command using the appropriate menu. Some features, such as *Estimates*, *Sales Tax*, and *Sales Orders* listed in the lower portion of the *Desktop View Company Preference* window can only be removed from the *Home* page by disabling the feature using the appropriate *Preference*. You can access the appropriate *Preference* through the links in the *Desktop View Company Preferences* window.

Note:

You cannot remove the icons for *Invoices*, *Enter Bills*, or *Pay Bills* from the *Home* page if certain other features are enabled. For example, the *Invoices* icon must be turned on if your company uses *Estimates* or *Sales Orders*. For a complete list of *Preferences*, see QuickBooks Help.

- Step 5. Click **OK** to close the *Preferences* window. Click **OK** in the dialog box that appears about closing open windows.
- Step 6. Click the **Home** button on the *Icon Bar*. Notice that the *Statements* branch of the *Customers* section of the *Home* page no longer displays (see Figure 7-3).

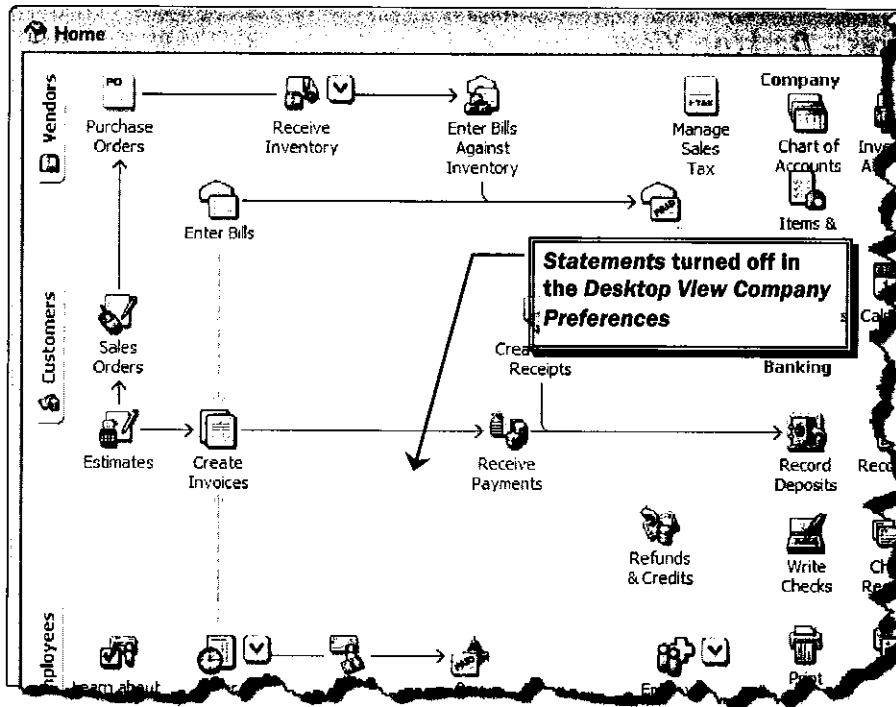


Figure 7-3 Home Page without *Statements* branch displaying

Customizing QuickBooks Menus and Windows

QuickBooks gives you the ability set up some special customized features. You can create a *Favorites Menu* for your regular activities. You can also customize the *Icon Bar*, which gives you easy access to various commands.

Favorites Menu

The *Favorites* menu is a customizable menu where you can place your common QuickBooks commands.

COMPUTER PRACTICE

- Step 1. Locate the *Favorites* menu between the *Lists* and *Company* menus on the menu bar. (Those using QuickBooks Premier Accountant will see it between the *Lists* and *Accountant* menus).

If you do not see the *Favorites* menu, you can turn it on by selecting *Favorites Menu* from the *View* menu (see Figure 7-4).

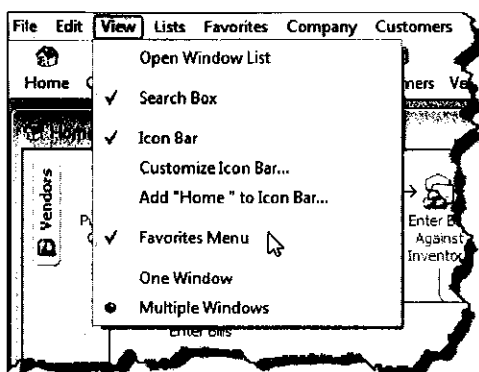


Figure 7-4 Favorites Menu option in the View menu

Step 2. Select the **Customize Favorites** option from the *Favorites* menu (see Figure 7-5).

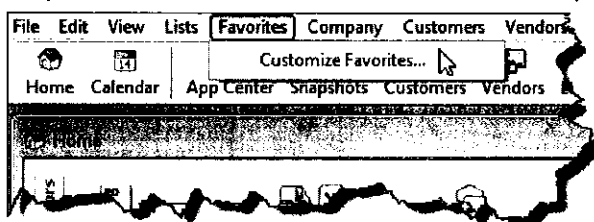


Figure 7-5 Customize Favorites option in the Favorites menu

Step 3. The *Customize Your Menus* window includes all available menu items. You can select a menu item to be easily accessed through the *Favorites* Menu. Click **Sales Rep List** and then click **Add** (see Figure 7-6).

You can use the *Sales Rep List* to identify employees who receive commission as a percentage of sales. This *List* is usually only available through the *Customer Vendor Profile Lists* submenu under the *Lists* menu. By adding it the *Favorites* menu, it can be accessed outside a submenu, more easily.

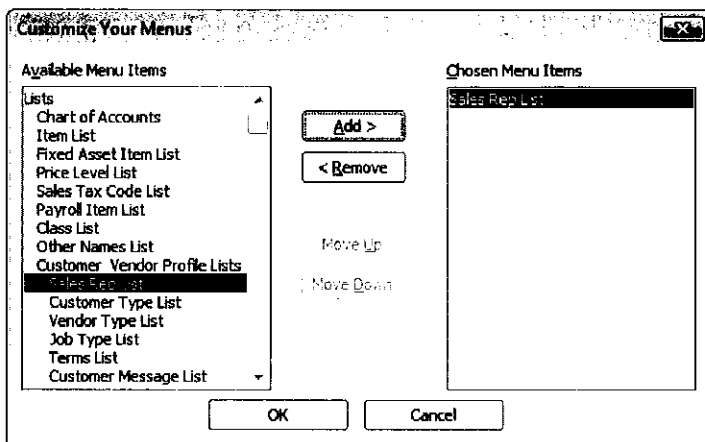


Figure 7-6 Sales Rep List added to Favorites menu in the Customize Your Menus window

Step 4. Click **OK** to close the *Customize Your Menus* window.

Step 5. Select the **Favorites** menu and chose **Sales Rep List** (see Figure 7-7).

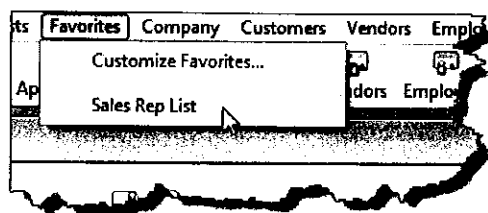


Figure 7-7 Sales Rep List in the Favorites menu

Step 6. Close the Sales Rep List.

QuickBooks Icon Bar

The *Icon Bar* appears at the top of the screen below the menu (see Figure 7-8). The icons on the *Icon Bar* are shortcuts to QuickBooks windows. The *Icon Bar* allows you to create an icon shortcut to almost any window in QuickBooks. The *Icon Bar* can be selected or deselected from the *View* menu and can be customized.



Figure 7-8 Icon Bar

Customizing the Icon Bar

There are two ways to customize the *Icon Bar*: using the *Customize Icon Bar* window or using the Add "window-name" to *Icon Bar* option.

Using the Customize Icon Bar Window

Use the *Customize Icon Bar* window to add icons to the *Icon Bar* or to edit or delete existing icons. You can also use this window to add separators between icons and to reposition icons.

COMPUTER PRACTICE

Step 1. Select **Customize Icon Bar** from the *View* menu. QuickBooks displays the *Customize Icon Bar* window shown in Figure 7-9.

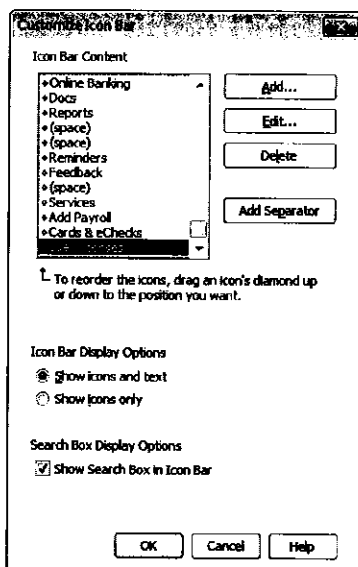


Figure 7-9 Customize Icon Bar window

- Step 2. To add an Icon to the *Icon Bar* click **Add**. QuickBooks opens the window shown in Figure 7-10.

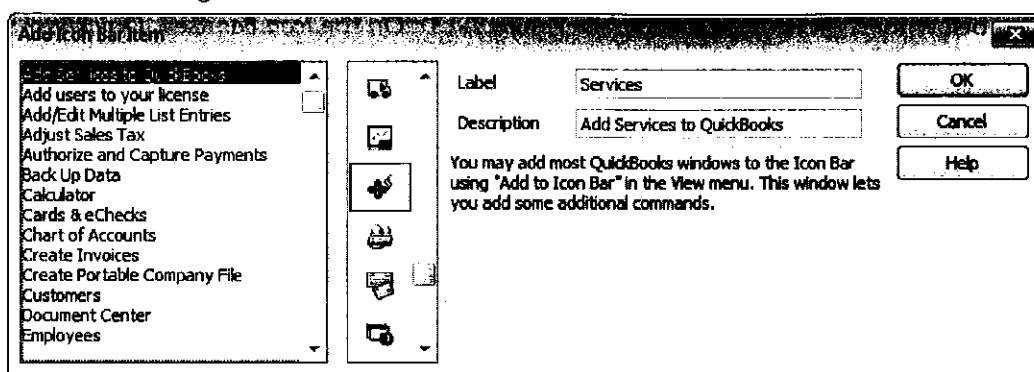


Figure 7-10 Add Icon Bar Item window

- Step 3. Select **Calculator** from the list of icons as shown in Figure 7-11. Notice that QuickBooks automatically selects the preferred icon for calculator and recommends the label name and description.

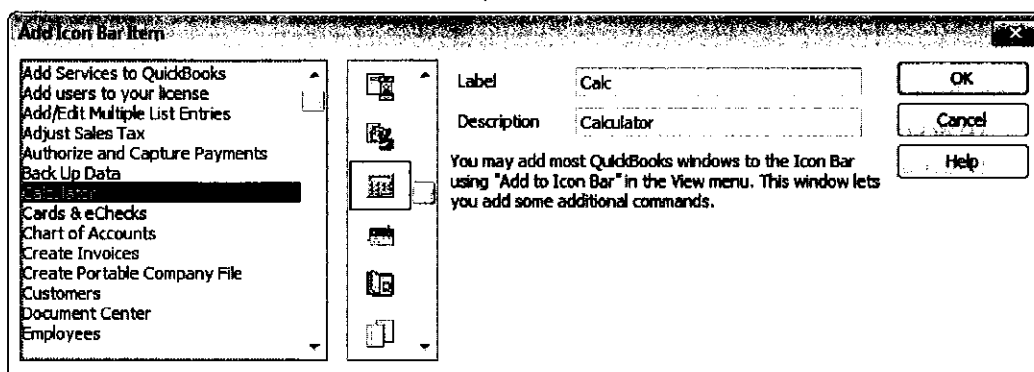


Figure 7-11 Add Icon Bar Item window with Calculator selected

- Step 4. Click **OK** to create the Calculator icon.

- Step 5. The order of the icons on this list dictates the order of the icons on the *Icon Bar*. To move the *Calc* icon, click the diamond next to *Calc* and then drag and drop *Calc* to move it above the *Add Payroll* icon as shown in Figure 7-12.

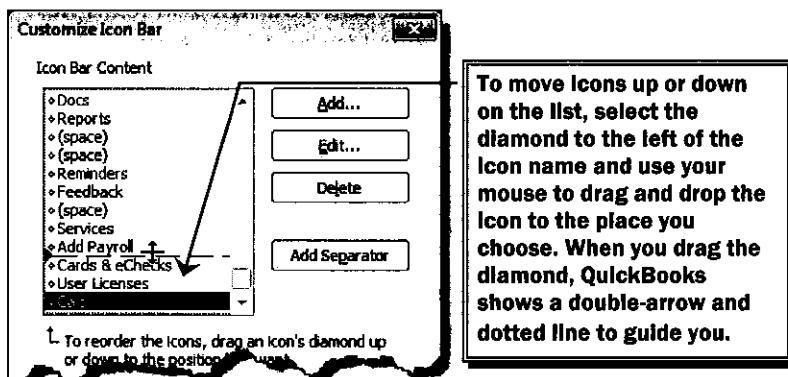


Figure 7-12 Use your mouse to move icons up or down in the list.

- Step 6. To remove an icon from the *Icon Bar*, select the icon in the list and click **Delete**. Highlight the **Feedback** item and then click **Delete**.

- Step 7. You may find it helpful to group the icons by type. To add a separator, select the **Calc** icon and then click **Add Separator**. QuickBooks will insert the word "(space)" below the **Calc** icon on the list (see Figure 7-13). On the *Icon Bar* itself, QuickBooks will add a vertical line between the **Calculator** icon and the **Payroll** icon.

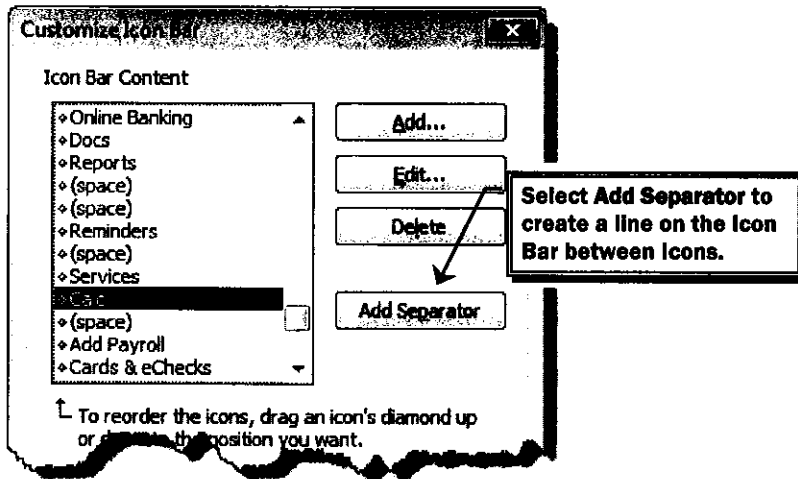


Figure 7-13 Icon List with Separator

- Step 8. To accommodate additional icons, or to reduce the height of your Icon Bar, you can select **Show icons only** in the *Display Options* section shown in Figure 7-13. For now, leave the **Show icons and text** option selected.
- Step 9. Click **OK** to save your changes. Figure 7-14 displays the customized *Icon Bar*.



Figure 7-14 Customized Icon Bar

QuickBooks Items and Other Lists

To help you track more details about your sales, QuickBooks provides several *Lists* that allow you to add more information to each transaction. In this section, you will learn how to create items in the *Item List*, *Terms List*, *Price Level List*, and *Templates List*. You will also learn how *Custom Fields* can be used to add more detail to several of your *Lists* and *Reports* in QuickBooks.

QuickBooks Items

The *Item List* is used to identify the products and services your business purchases and/or sells. *Items* in the *Item List* are also used as part of the sales tax tracking process as a means of generating subtotals and as a method of calculating discounts. In this section, you will learn more about QuickBooks *Items* and how they affect the "accounting behind the scenes" as you create transactions.

The *Item List* shows all *Items* you have already created (see Figure 7-15).

Name	Description	Type	Account	Total Quantity On Hand	On Sales Order	Price	Attach
Outdoor Photo Session	Outdoor Photo Session	Service	40000 - Services			95.00	
Photographer	Photographer	Service	40000 - Services			125.00	
Photo retouching services	Photo retouching services	Service	40000 - Services			95.00	
Camera SR32	Supra Digital Camera SR32	Inventory Part	45000 - Sales	9	0	695.99	
Case	Camera and Lens High Impact Case	Inventory Part	45000 - Sales	24	0	79.99	
Frame 5x7	Picture Frame - 5 x 7 Metal Frame	Inventory Part	45000 - Sales	22	0	5.99	
Lens	Supra Zoom Lens	Inventory Part	45000 - Sales	7	0	324.99	
Film 36C	200 ASA, 36 Color Film	Non-inventory Part	45000 - Sales			12.36	
Premium Photo Package	Premium Package of Photography from Session	Non-inventory Part	45000 - Sales			85.00	
Standard Photo Package	Standard Package of Photography from Session	Non-inventory Part	45000 - Sales			55.00	
Bad Debt	Bad Debt - Write off	Other Charge	60300 - Bad Debts			0.00	
Bounce Chg	Return Check Fee	Other Charge	45000 - Sales			0.00	
Contra Costa	Contra Costa County Sales Tax	Sales Tax Item	25500 - Sales Tax Payable			8.25%	
Out of State	Out-of-state sale, exempt from sales tax	Sales Tax Item	25500 - Sales Tax Payable			0.0%	
Santa Clara	Santa Clara County Sales Tax	Sales Tax Item	25500 - Sales Tax Payable			8.25%	

Figure 7-15 The Item list

Item Types

There are several different types of *Items* in QuickBooks (see Figure 7-16). When you create an *Item*, you indicate the *Item Type* along with the name of the *Item* and the *Account* with which the *Item* is associated.

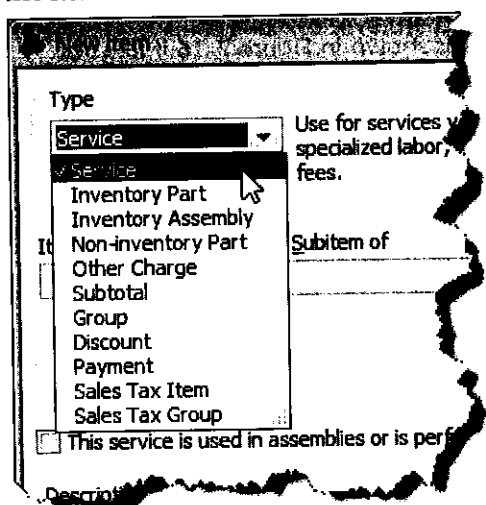


Figure 7-16 The Type menu in the New Item window

- **Service Items:** Used to track services you buy and/or sell.
- **Inventory Part Items:** Used to track your purchases and sales of inventory.
- **Inventory Assembly Items:** Used to track *Items* that contain assemblies of other *Items*. You must have QuickBooks Premier or QuickBooks Enterprise Solutions to use *Inventory Assembly Items*.
- **Non-inventory Part Items:** Used to track products you buy and/or sell but don't keep in inventory.
- **Other Charge Items:** Used to track miscellaneous charges such as shipping and finance charges.
- **Subtotal Items:** Used to calculate and display subtotals on sales forms.
- **Group Items:** Allows you to use one *Item* to "bundle" several *Items* together. *Group Items* are similar to *Inventory Assembly Items*, but *Group items* do not track quantity on hand (or sold) of the *Group*. Rather, each *Item* within the *Group* is tracked separately.
- **Discount Items:** Used to calculate and display discounts on sales forms.
- **Payment Items:** Used to show payments collected on the face of *Invoices* and refunds given on the face of *Credit Memos*.

- **Sales Tax Item:** Used to track sales taxes in each location where you sell taxable goods and services.
- **Sales Tax Group Items:** Used when you pay sales tax to more than one tax agency. The *Sales Tax Group Item* allows you to group several *Sales Tax Items* together into one total. The total tax from each *Sales Tax Item* in the group is the amount of tax charged when you use the group on sales forms, but QuickBooks tracks each *Sales Tax Item* in the group separately. In most states, you don't need to use *Sales Tax Groups*. Use *Sales Tax Group Items* only if you pay sales tax to more than one agency.

Service Items

Academy Photography sells photo sessions by the hour. To track the sales of a *Service Item*, create an *Item* called **Photo Session**, and associate the *Item* with the Services income account.

COMPUTER PRACTICE

- Step 1. Select the **Lists** menu and then select **Item List**.
- Step 2. Select the **Item** button and then select **New**.
- Step 3. Select **Service** from the *Type* drop-down list as shown in Figure 7-16 if it is not already selected, and fill in the detail of the *Item* as shown in Figure 7-17.
- Step 4. Click **OK** to save the *Item*.

New Item

Type: Service (Use for services you charge for or purchase, like specialized labor, consulting hours, or professional fees.)

Item Name/Number: Photo Session (Subitem of:)

Unit of Measure: Each (Enable...)

☐ This service is used in assemblies or is performed by a subcontractor or partner ☐ Item is inactive

Description: Photo Session Service

Rate: 95.00

Tax Code: Non

Account: 40000 - Servi...

Buttons: OK, Cancel, Next, Custom Fields, Spelling

Figure 7-17 Selecting items

If the price for this service fluctuates, you can override this amount when you use it on a sales form. Therefore, when you set up the *Item*, enter the rate you normally charge.

Subcontracted Services

To track your subcontracted services, you can set up a special "two-sided" *Service Item* to track both the income and the expense of the subcontractor. By using a single *Item* to track both the income and expense for the subcontracted service, you can automatically track the profitability of your subcontractors. You might want to have a separate *Item* for each subcontractor.

COMPUTER PRACTICE

- Step 1. With the *Item List* displayed, press **Ctrl+N**. This is another way to set up a new *Item*.

- Step 2. Select **Service** from the *Type* drop-down list if it is not already selected and press **Tab**.
- Step 3. Enter **Video Photographer** in the *Item Name/Number* field and check the Subitem of box.
- Step 4. Select **Photographer** from the *Subitem of* drop-down list.
- Step 5. Check the box next to *This service is used in assemblies or is performed by a subcontractor or partner*.
Selecting this box allows you to use the same *Item* on purchase transactions and sales transactions, but have the *Item* affect different accounts depending on the transaction.
- Step 6. Enter the *Description on Purchase Transactions*, *Cost* (purchase price), *Expense Account*, and *Preferred Vendor* for this *Item* as shown in Figure 7-18.
- Step 7. Select **Non** in the *Tax Code* field.
- Step 8. Enter the *Description on Sales Transactions*, *Sales Price*, and *Income Account* for this *Item* as shown in Figure 7-18.
- Step 9. Click **Next** to save the *Item* and open another *New Item* window.

Figure 7-18 Subcontracted Service Item

Non-Inventory Parts

To track products that you buy and/or sell but don't monitor as inventory, set up *Non-Inventory Part Items*. Academy Photography doesn't track custom photo packages in inventory, so they use one generic *Item* called Custom Photo Package.

COMPUTER PRACTICE

- Step 1. Select **Non-inventory Part** from the *Type* drop-down list.
- Step 2. Enter **Custom Photo Package** in the *Item Name/Number* field.
- Step 3. Fill in the detail of the *Item* as shown in Figure 7-19.
- Step 4. Click **Next** to save the item.

New Item

Type: **Non-inventory Part** Use for goods you buy but don't track, like office supplies, or materials for a specific job that you charge back to the customer.

Item Name/Number: Subitem of: ☐ Manufacturer's Part Number:

Unit of Measure: Enable...

☐ This item is used in assemblies or is purchased for a specific customer: job ☐ Item is inactive

Description: Custom Photo Package Price: 0.00 Tax Code: Tax Account: 45000 - Sales

Buttons: OK, Cancel, Next, Custom Fields, Spelling

Figure 7-19 Non-inventory Part Item

Non-Inventory Parts - Passed Through

You can also specifically track the income and expenses for each *Non-Inventory Part*. In this case, you should create a "two-sided" *Non-inventory Part Item* to track the purchase costs in a Cost of Goods Sold (or Expense) account, and the sales amounts in an income account. This is particularly useful when you pass the costs on to your customers for special-ordered parts. For example, Academy Photography tracks camcorder orders with one *Non-Inventory Part Item*.

COMPUTER PRACTICE

- Step 1. If necessary, select **Non-inventory Part** from the *Type* drop-down list. Fill in the detail of the *Item* as shown in Figure 7-20.
- Step 2. Click **Next** to save the item.

New Item

Type: **Non-inventory Part** Use for goods you buy but don't track, like office supplies, or materials for a specific job that you charge back to the customer.

Item Name/Number: Subitem of: ☐ Manufacturer's Part Number:

Unit of Measure: Enable...

☒ This item is used in assemblies or is purchased for a specific customer: job ☐ Item is inactive

Purchase Information: Description on Purchase Transactions: Video Camera Special Order # Cost: 0.00 Expense Account: 50000 - Cost of Goods Sold Preferred Vendor: Ace Supply

Sales Information: Description on Sales Transactions: Video Camera Special Order # Sales Price: 0.00 Tax Code: Tax Income Account: 45000 - Sales

Buttons: OK, Cancel, Next, Custom Fields, Spelling

Callout: Click this box to define both the purchase and sales information for this part.

Figure 7-20 Non-inventory Part Item - passed through

Other Charge Items

To track charges like freight, finance charges, or expense reimbursements on your *Invoices*, use *Other Charge Items*.

COMPUTER PRACTICE

- Step 1. Select **Other Charge** from the *Type* drop-down list and fill in the detail of the *Item* as shown in Figure 7-21.
- Step 2. Click **Next** to save the *Item*.

The screenshot shows the 'New Item' window with the following details:

- Type:** Other Charge (dropdown menu). Description: Use for miscellaneous labor, material, or part charges, such as delivery charges, setup fees, and service charges.
- Item Name/Number:** Shipping (text field). **Subitem of:** (empty dropdown).
- Checkboxes:** ☐ This item is used in assemblies or is a reimbursable charge.
- Description:** Shipping and handling
- Amount or %:** 8.95
- Tax Code:** Non (dropdown menu)
- Account:** 40000 - Services (dropdown menu)
- Buttons:** OK, Cancel, Next, Custom Fields, Spelling.
- Item is inactive:** ☐

Figure 7-21 Track shipping charges with an *Other Charge Item*

Sales Tax Items

The *Sales Tax Items* are used to track sales tax.

COMPUTER PRACTICE

- Step 1. Select **Sales Tax Item** from the *Type* drop-down list and fill in the detail of the *Item* as shown in Figure 7-22.

The screenshot shows the 'New Item' window with the following details:

- Type:** Sales Tax Item (dropdown menu). Description: Use to calculate a single sales tax at a specific rate that you pay to a single tax agency.
- Sales Tax Name:** Santa Cruz (text field)
- Description:** Santa Cruz Sales Tax
- Tax Rate (%):** 9.0%
- Tax Agency (vendor that you collect for):** State Board of Equalization (dropdown menu)
- Buttons:** OK, Cancel, Next, Spelling.

A callout box points to the 'Tax Agency' field with the text: "Make sure you enter the name of your tax collector in the Tax Agency field. QuickBooks needs this name for sales tax reports and sales tax payments."

Figure 7-22 Track sales tax with the *Sales Tax Item*.

- Step 2. Click **OK** to save this *Item* and close the *New Items* window.

You should create a separate *Sales Tax Item* for each tax imposed by each taxing jurisdiction. For example, if you have both state and county sales taxes, then create *Sales Tax Items* for the state taxes and each of the county taxes. If multiple *Sales Tax Items* are to be billed on a

particular sales transaction, then create a *Sales Tax Group Item* to join the individual *Sales Tax Items* together for billing purposes. This allows QuickBooks to correctly track sales taxes by taxing jurisdiction.

Note:

If you need to import a large number of *Items* (or other list entries) you can paste in a spreadsheet using the *Add/Edit Multiple List Entries* option, located in the *Lists* menu.

Printing the Item List

COMPUTER PRACTICE

To print the Item List, follow these steps:

Step 1. Select the *Reports* menu, select *List*, and then select *Item Listing* (see Figure 7-23).

The screenshot shows the 'Item Listing' report window. At the top, there are menu options: 'Modify Report...', 'Memoize...', 'Print...', 'Email...', 'Export...', 'Hide Header', 'Refresh', and 'Sort By: Default'. The title of the report is 'Academy Photography Customizing Chapter Item Listing'. The table below lists various items with columns for Item, Description, Type, Cost, Price, Sales Tax Code, and Quantity On Hand.

Item	Description	Type	Cost	Price	Sales Tax Code	Quantity On Hand
Indoor Photo Session	Indoor Studio Session	Service	0.00	95.00	Non	
Outdoor Photo Session	Outdoor Photo Session	Service	0.00	95.00	Non	
Photo Session	Photo Session Service	Service	0.00	95.00	Non	
Photographer	Photographer	Service	75.00	125.00	Non	
Photographer/Video Photogra...	Subcontracted Video Photographer	Service	95.00	125.00	Non	
Retouching	Photo retouching services	Service	0.00	95.00	Non	
Camera SR32	Supra Digital Camera SR32	Inventory Part	450.00	695.99	Tax	9
Case	Camera and Lens High Impact Case	Inventory Part	45.00	79.99	Tax	24
Frame 5x7	Picture Frame - 5 x 7 Metal Frame	Inventory Part	2.15	5.99	Tax	22
Lens	Supra Zoom Lens	Inventory Part	184.99	324.99	Tax	7
Custom Photo Package	Custom Photo Package	Non-inventory Part	0.00	0.00	Tax	
Film 36C	200 ASA, 36 Color Film	Non-inventory Part	0.00	12.36	Tax	
Premium Photo Package	Premium Package of Photography from Session	Non-inventory Part	0.00	85.00	Tax	
Standard Photo Package	Standard Package of Photography from Session	Non-inventory Part	0.00	55.00	Tax	
Video Camera	Video Camera Special Order #	Non-inventory Part	0.00	0.00	Tax	
Bad Debt	Bad Debt - Write off	Other Charge	0.00	0.00	Non	
Bounce Chg	Return Check Fee	Other Charge	0.00	0.00	Non	
Fin Chg	Finance Charges on Overdue Balance	Other Charge	0.00	18.0%	Non	
Shipping	Shipping and handling	Other Charge	0.00	8.95	Non	
Contra Costa	Contra Costa County Sales Tax	Sales Tax Item	0.00	8.25%	Non	
Out of State	Out-of-state sale, exempt from sales tax	Sales Tax Item	0.00	0.0%	Non	
Santa Clara	Santa Clara County Sales Tax	Sales Tax Item	0.00	8.25%	Non	
Santa Cruz	Santa Cruz Sales Tax	Sales Tax Item	0.00	9.0%	Non	

Figure 7-23 The Item Listing report

Step 2. Click **Print** at the top of the report (or select **Print Report** from the *File* menu).

Step 3. Close the **Item Listing Report**.

Step 4. Close the **Item List** window.

Other Lists

In addition to the *Item List*, there are several additional *Lists* in QuickBooks that you will use when setting up customers and recording sales transactions. An understanding of how to set up and use these *Lists* is essential to operating QuickBooks for your company.

The Terms List

The *Terms List* is where you define the payment terms for *Invoices* and *Bills*. QuickBooks uses terms to calculate when an *Invoice* or *Bill* is due. If the terms specified on the transaction include a discount for early payment, QuickBooks also calculates the date on which the discount expires.

QuickBooks allows you to define two types of terms:

- *Standard Terms* calculate based on how many days from the *Invoice* or *Bill* date the payment is due or a discount is earned.
- *Date-Driven Terms* calculate based on the day of the month that an *Invoice* or *Bill* is due or a discount is earned.

You can override the default terms on each sale as necessary. When you create reports for *Accounts Receivable* or *Accounts Payable*, QuickBooks takes into account the terms on each *Invoice* or *Bill*.

COMPUTER PRACTICE

- Step 1. Select the *Lists* menu, select **Customers & Vendor Profile Lists**, and then select **Terms List** (see Figure 7-24).

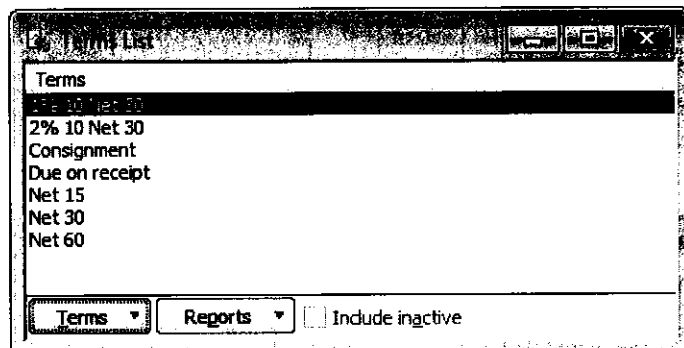


Figure 7-24 The Terms List window

- Step 2. The practice template file already includes several terms (see Figure 7-24). To set up additional terms, select the **Terms** menu from the *Terms List* window, and then select **New**, or press **Ctrl+N**.
- Step 3. To set up a standard term, complete the *New Terms* window as shown in Figure 7-25, and click **Next**.

The window in Figure 7-25 shows how the 2% 7 Net 30 terms is defined. It is a *Standard Terms Item* indicating that full payment is due in 30 days. If the customers pay within 7 days of the *Invoice* date, however, they are eligible for a 2% discount.

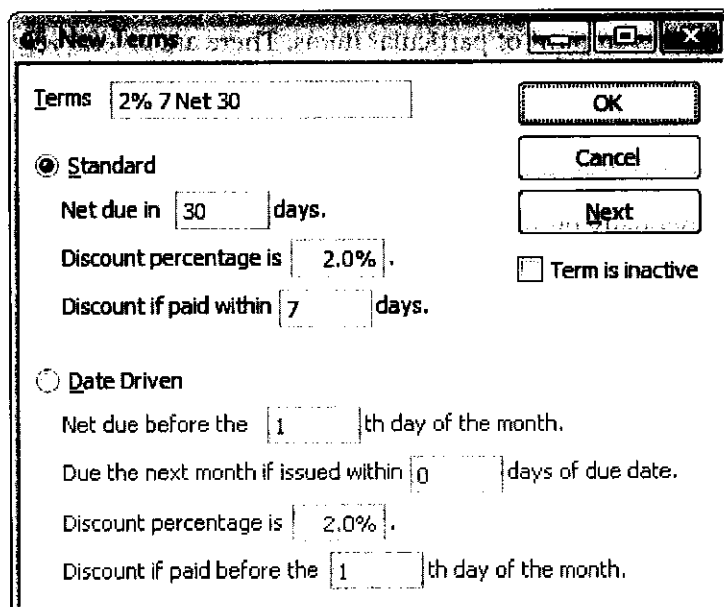


Figure 7-25 The New Terms window with standard terms

- Step 4. To set up a date-driven term, select the **Date Driven** radio button.
- Step 5. Fill in the fields as shown in Figure 7-26. Then click **OK**.

The terms in Figure 7-26 are an example of *Date Driven Terms*, where payment is due on the 10th of the month (e.g. February 10th). If the *Invoice* is dated less than 10 days before the due date, the *Invoice* (or *Bill*) is due on the 10th of the following month.

Figure 7-26 The New Terms window with date-driven terms

- Step 6. Close the **Term List** window.

Price Levels

Note:

Per Item Price Levels are only available in QuickBooks Premier and above.

Price Levels allow you to define custom pricing for different customers. Use *Price Levels* on *Invoices* or *Sales Receipts* to adjust the sales amount of particular items. There are several ways to use *Price Levels* on sales forms:

DO NOT PERFORM THESE STEPS NOW. THEY ARE FOR REFERENCE ONLY.

1. You can adjust each item individually by selecting the applicable *Price Level* in the *Rate* column drop-down list (see Figure 7-27).

Figure 7-27 Selecting a Price Level on an Invoice

- You can assign a *Price Level* to a Customer's record so that when you use the customer's name in a sales form, QuickBooks will change the default sales price for each *Sales Item* on the form (see Figure 7-28).

Figure 7-28 Setting a Price Level on a Customer's Record

You can create new *Price Levels* by opening the *Price Levels List* and selecting *New* from the *Price Levels Menu* or pressing **Ctrl+N** with the *Price Levels List* active. Depending on the type of *Price Level* you select, QuickBooks will:

- Increase or decrease the default sales price by a fixed percentage (see Figure 7-29). Fixed percentage *Price Levels* allow you to increase or decrease prices of *Items* for a

Customer or Job by a fixed percentage. For customers to whom you always give a discount, use this option so that the discount will be generated automatically.

Edit Price Level

Price Level Name: Not-for-Profit Organization ☐ Price Level is inactive

Price Level Type: Fixed % Use this type of price level to apply a fixed percentage increase or decrease to all your standard sales prices when setting up prices for different customers or jobs.

This price level will decrease ▼ Item prices by 15.0%

Round up to nearest no rounding ▼

[How do I print a report?](#)

Figure 7-29 Defining a new price level

- Adjust the sales price to an amount you define when setting up the *Price Level*. *Per Item Price Levels* let you set different prices for *Items* that are associated with different *Customers* or *Jobs*.

Edit Price Level

Price Level Name: Frequent Customer ☐ Price Level is inactive

Price Level Type: Per Item Use this type of price level to set custom prices for individual items when setting up prices for different customers or jobs.

Item	Cost	Standard ...	Custom Price
✓ Indoor Photo Session		95.00	85.00 ▲
Outdoor Photo Session		95.00	85.00 ▼
Photo Session		95.00	
Photographer	75.00	125.00	
Photographer:Video Photographer	95.00	125.00	
Retouching		95.00	
Camera SR32	450.00	695.99	
Case	45.00	79.99	

☐ Mark All

Adjust price of marked items to be 0.0% lower ▼ than its standard price ▼

Round up to nearest no rounding ▼

[How do I print a report?](#)

Figure 7-30 New Price Level window - Per Item Price Level Type

Custom Fields

When you set up a new *Customer* record, you can define *Custom Fields* for tracking additional information specific to your *Customers*, *Vendors*, and *Employees*.

Academy Photography tracks each *Customer* and *Vendor* by county in order to create reports of total purchases and sales in a city or county. This information allows them to determine the best area to expand business operations.

You can access the *Define Fields* button on the *Additional Info* tab of a *Customer* or *Vendor* record (see Figure 7-31).

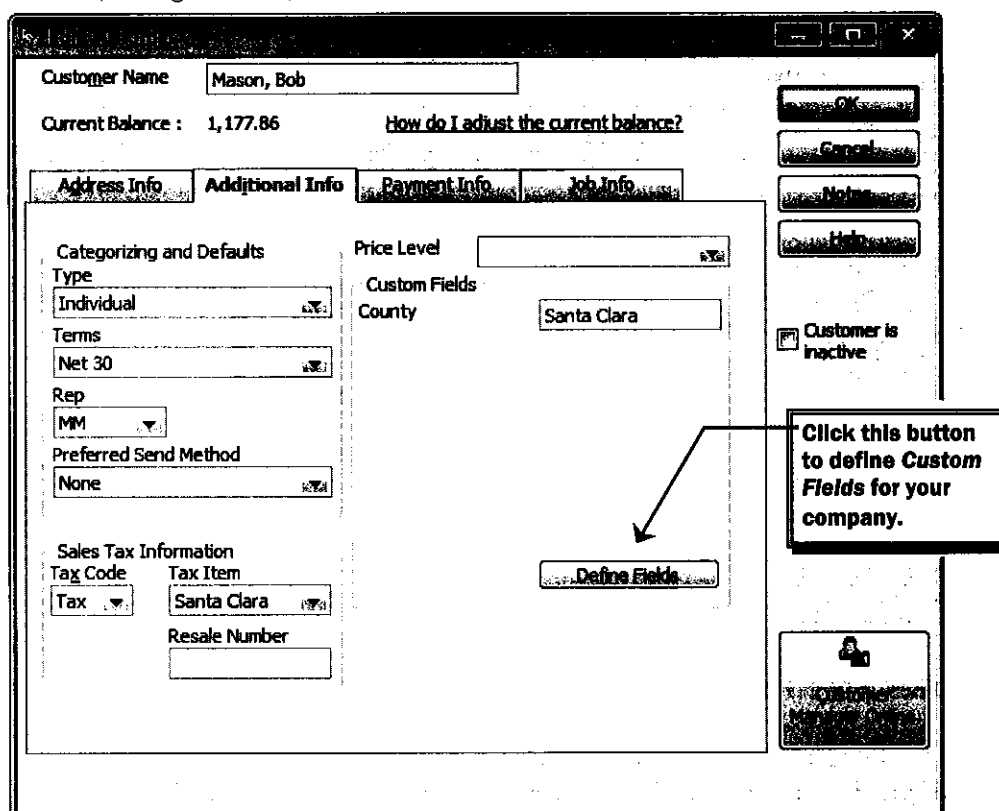


Figure 7-31 Click Define Fields in the Additional Info Tab.

In the window shown in Figure 7-32, you can define up to fifteen *Custom Fields* in the QuickBooks data file, and any one field, i.e., *Customer*, *Vendor*, or *Employee*, can have up to seven *Custom Fields*.

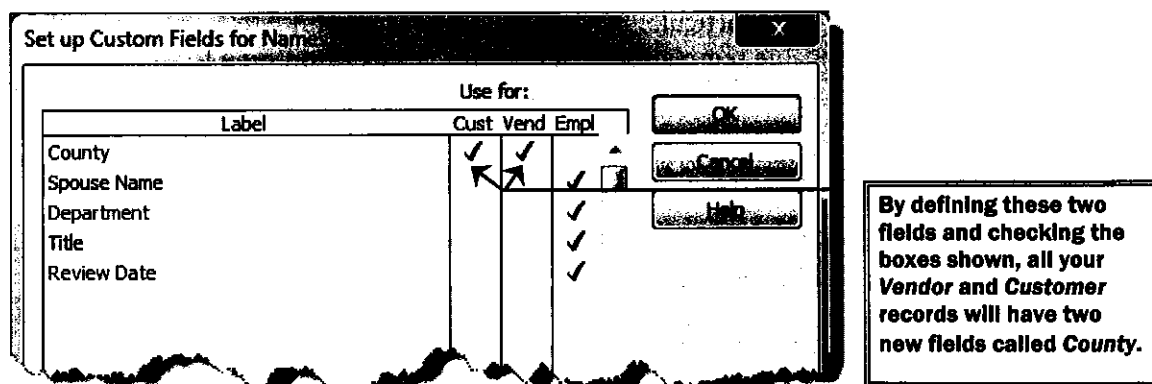


Figure 7-32 The Define Fields window

Adding Custom Field Data to Customer Records

After you have defined a *Custom Field* and checked the box in the *Customer:Job* column, the field appears on the *Customer* record (see Figure 7-33). Fill in the data just as you did for the other fields.

Figure 7-33 Fill in the Custom Fields for each customer.

Modifying Sales Form Templates

QuickBooks provides templates so that you can customize your sales forms. You can select from the standard forms that QuickBooks provides, or you can customize the way your forms appear on both the screen and the printed page. The first step in modifying your forms is to create a template for the form you want. The templates for all forms are in the *Templates List*.

Note:

In addition to modifying the templates described in this section, you can also download templates with particular designs for a fee from Intuit. To learn more about these downloadable templates, click the *Customize* button on a form.

COMPUTER PRACTICE

Step 1. Select the *Lists* menu, and then select **Templates** (see Figure 7-34).

This list shows the standard templates that come with QuickBooks, as well as any form templates the user may have created.

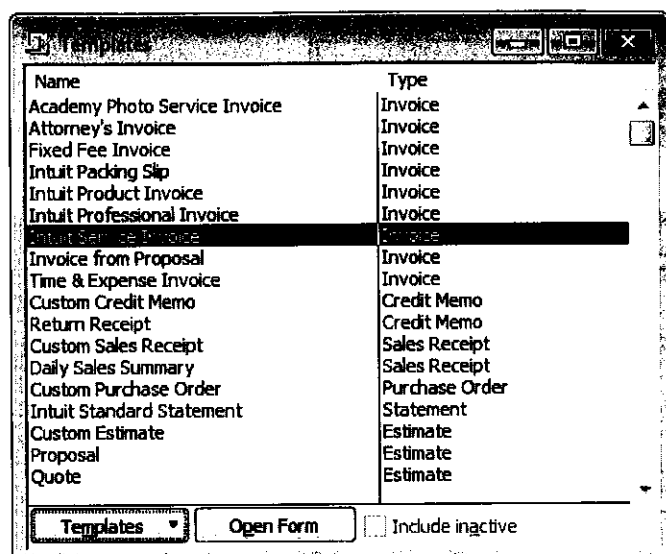


Figure 7-34 The Templates list

Step 2. Select **Intuit Service Invoice**. Then select the **Templates** menu button and select **Duplicate**. The *Intuit Service Invoice* is the template you are using as the basis for your custom template.

Step 3. Select **Invoice** on the *Select Template Type* window and click **OK** (see Figure 7-35).

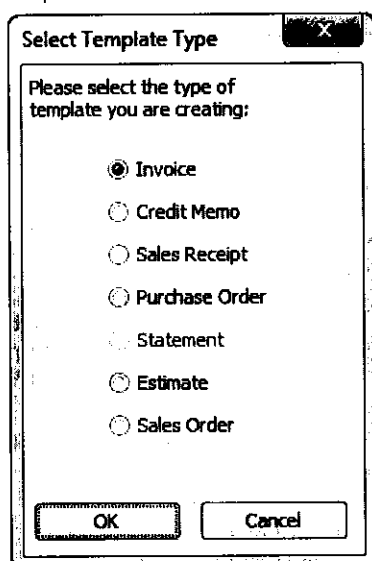


Figure 7-35 Select Template Type window

Step 4. **Copy of: Intuit Service Invoice** should already be selected. Select the **Templates** menu and select **Edit Template**.

Step 5. Click the **Manage Template** button in the *Basic Customization* window (see Figure 7-36).

Step 6. In the **Manage Templates** window, enter **My Invoice Template** in the *Template Name* field (see Figure 7-37).

You must enter a unique template name. You must give your template a descriptive name so that you will easily recognize it when selecting it from a form list.

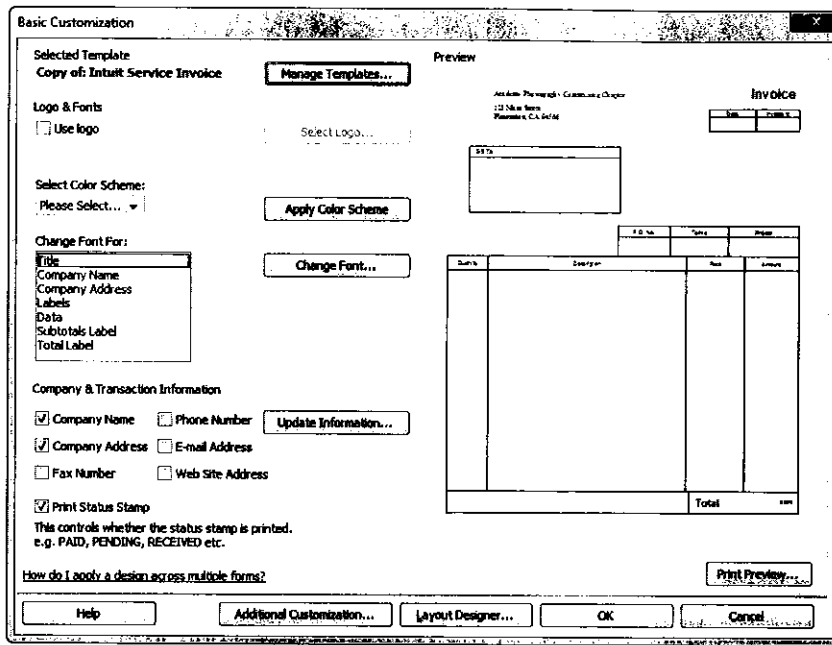
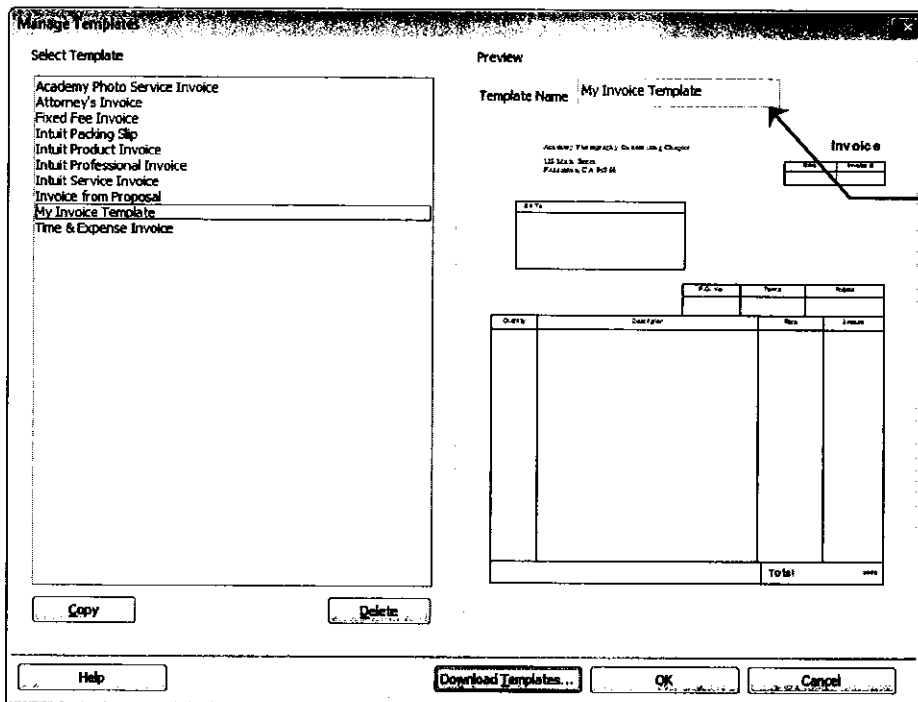


Figure 7-36 Basic Customization Window

Note:

You can download templates from the Intuit website – browse through the selection of pre-designed templates by clicking the *Download Templates* button on the *Manage Templates* window.



You can change the name of the template in the *Template Name* field.

Figure 7-37 Manage Templates window

- Step 7. Click **OK** to accept the name change and close the *Manage Templates* window.
- Step 8. Click the **Additional Customization** button. The *Basic Customization* window changes to the *Additional Customization* window.

Step 9. Review the fields in the *Header* tab. Do not edit any of the fields on this window.

You would click the boxes in the *Screen* and *Print* columns to indicate which fields will show on the screen and which fields will be printed. You could also modify the titles for each field by changing the text in the *Title* fields.

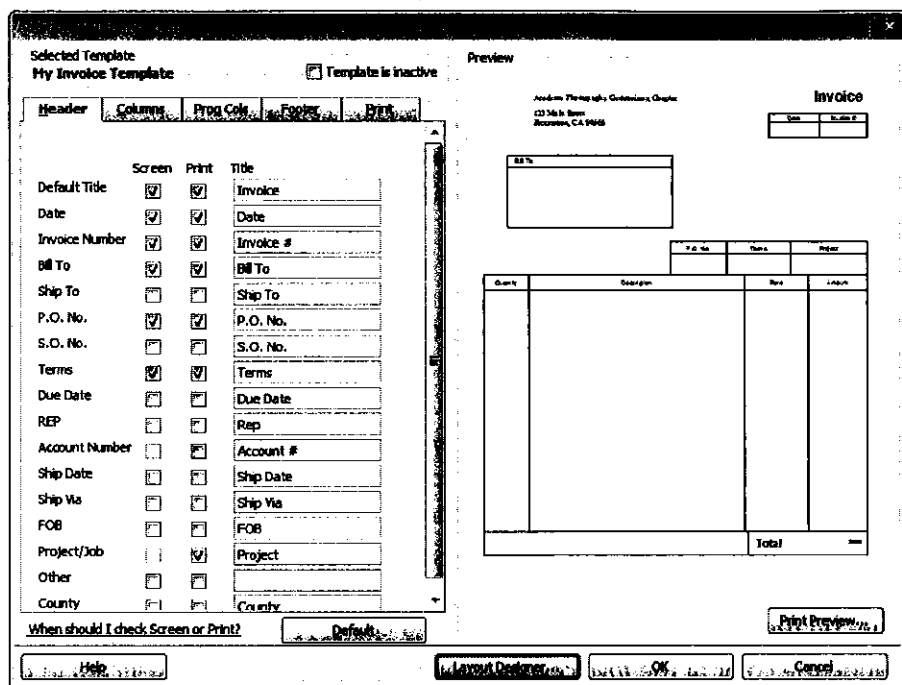


Figure 7-38 Additional Customization window showing the Header tab

Step 10. Click the **Columns** tab to modify how the columns display on the *Invoice*. Change the order of the columns by entering the numbers in the *Order* column as shown in Figure 7-39. If you see the *Layout Designer* warning box, click **OK**.

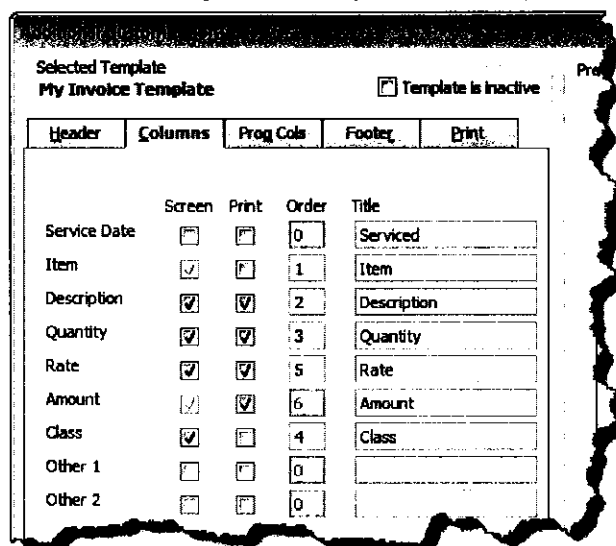


Figure 7-39 Additional Customization window showing the Columns tab

Step 11. Click the **OK** button to return to the *Basic Customization* window.

Step 12. Next, add a logo to the template by checking the **Use logo** checkbox (see Figure 7-40).

Adding a business logo to an *Invoice* helps customers familiarize themselves with your company. It can also help them identify your *Invoice*.

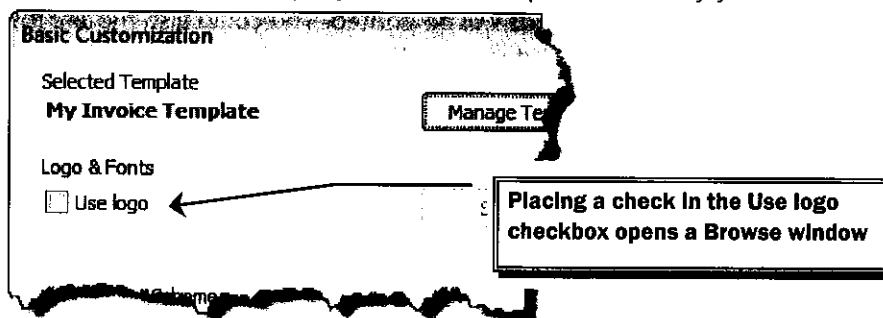


Figure 7-40 The Use logo option in the Basic Customization window

- Step 13. In the *Select Image* dialog box, navigate to your student files. Select **logo.gif** and click **Open**.
- Step 14. A dialog box warns that the logo graphic file will be copied to a subfolder of the location of your working file. Click **OK** to accept. You should see the logo in the upper left side of the preview pane of the *Managing Templates* window.
- Step 15. Click the **Select Color Scheme** drop down menu. You can choose six preset colors. Choose **Maroon** and then click the **Apply Color Scheme** button. The text and border lines on the *Invoice* change to the selected color.
- Step 16. Next, change the color of the *Invoice* title to black. Verify that **Title** is selected in the *Change Font For:* box and click the **Change Font** button.
- Step 17. The *Example* window opens (Figure 7-41). You can use this window to change font, size, style, and color of the title of the invoice. In the **Color** field, choose **Black**. When finished, click **OK**.

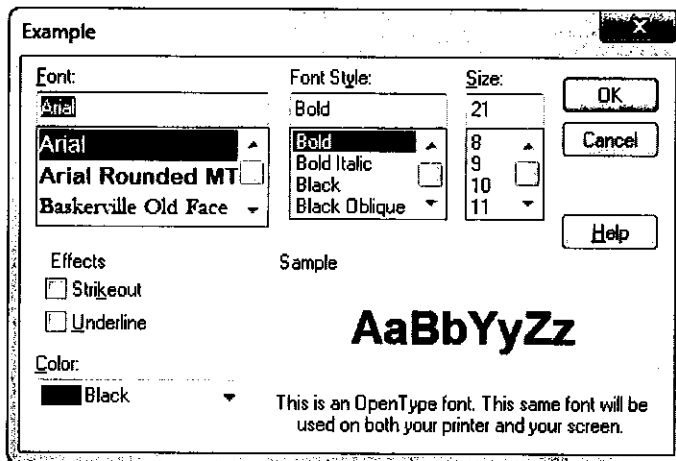


Figure 7-41 Example dialog box for changing font of labels on a template

- Step 18. Click **OK** to close the *Basic Customization* window.
- Step 19. Close the **Templates** window.
- Step 20. From the *Home Page*, click the **Create Invoices** icon.
- Step 21. To use the new template, choose **My Invoice Template** from the *Template* drop down list.

- Step 22. To view how the *Invoice* will print, click the down arrow next to **Print** button at the top of the *Create Invoices* window and select **Preview**.
- Step 23. Click **Close** to close the *Print Preview* window.
- Step 24. Close the **Create Invoices** window.

Note:

You can make further changes to the position of elements in the form by opening the *Layout Designer*. Click the **Layout Designer** button on the bottom of the *Basic Customization* window. From the *Layout Designer*, you can change the position of design elements, such as the textboxes and the logo.

Review Questions

Select the best answer(s) for each of the following:

1. You can create *Custom Fields* for:
 - a) *Customers*.
 - b) *Templates*.
 - c) *Vendors*.
 - d) Both a and c.
2. The two types of *Preferences* are:
 - a) *User and Company Preferences*.
 - b) *User and Accountant Preferences*.
 - c) *Favorite and General Preferences*.
 - d) *Income and Expense Preferences*.
3. If you don't see the *Favorites* menu in your menu bar, you can turn it on in the:
 - a) *Customize Templates* window.
 - b) *Customize Icon Bar* window.
 - c) *View* menu.
 - d) *Windows* menu.
4. Which of the following is not an available Template type in QuickBooks?
 - a) *Credit Memo*.
 - b) *Statement*.
 - c) *Check*.
 - d) *Sales Receipt*.
5. If you pay sales tax to more than one agency, you should use which of the following *Item* types?
 - a) *Sales Tax Group*.
 - b) *Group*.
 - c) *Inventory Assembly*.
 - d) *Subtotal*.

Customizing - Problem 1

APPLYING YOUR KNOWLEDGE

Restore the Customizing-12Problem1.QBM file.

1. Set up the following *Terms*:
 - a) 3% 7 Net 30
 - b) 3% 10th Net 20th (Due next month if issued within 10 days of the due date)
 - c) Net 45
 - d) 3% 7th Net 30th (Due next month if issued within 10 days of the due date)
2. Create a **Terms Listing** report (Select the **Reports** menu, **Lists**, and then **Terms Listing**). Add the **Discount on Day of Month** and **Min Days to Pay** columns. Expand the columns so you can see the entire column headers. Print the report.
3. Add a *Custom Field* to your *Customers* called **Web Site**. Add the web sites to the following customer records:

Customer:Job Name	Web Site
Anderson Wedding Planners: Kumar, Sati and Naveen	www.andweddingbliss.net
Anderson Wedding Planners: Wilson, Sarah and Michael	www.andweddingbliss.net
Anderson Wedding Planners	www.andweddingbliss.net
Pelligrini, George	www.pelligrinibuild.net
Pelligrini, George:2354 Wilkes Rd	www.pelligrinibuild.net
Pelligrini, George: 4266 Lake Drive	www.pelligrinibuild.net

Table 7-1 Web site data for custom fields

4. Create a **Customer Contact List**, modified to display the *Customer Name* and *Web Site* only.
5. Create a **Sales Tax Item** for Santa Cruz, payable to the State Board of Equalization. The sales tax rate is 8.25%.
6. Create a duplicate **Invoice** of the *Intuit Service Invoice Template*. Then, make the following changes:
 - a) Change the name of the template to **Academy Photo Invoice**.
 - b) Add the **Web Site** custom field to the screen and printed *Invoice* using the *Additional Customization Header* tab.
 - c) When prompted, click **Default Layout**.
7. Create a new *Non-inventory Part* called **Custom Package**. Set up the new *Item* using the following information:

Field Name	Data
Item Name/Number	<i>Custom Package</i>
Description	<i>Customized Photography Package from Session</i>
Price	<i>0 (leave 0 because it's a custom package)</i>
Tax Code	<i>Tax</i>
Account	<i>Sales</i>

Table 7-2 Item setup data

8. Create an **Invoice** for Pelligrini, George, for the 1254 Wilkes Rd job, using the *Academy Photo Invoice* template. Enter the following information on the header of the *Invoice*:

Field Name	Data
Class	<i>San Jose</i>
Date	<i>02/28/2015</i>
Invoice #	<i>2015-106</i>
Terms	<i>3% 7 Net 30</i>
Tax	<i>Santa Cruz</i>

Table 7-3 Use this data for the Invoice header.

9. Enter the following information into the body of the *Invoice*:

Item	Qty	Description	Rate	Amount	Tax
<i>Outdoor Photo Session</i>	<i>2</i>	<i>Outdoor Photo Session</i>	<i>95.00</i>	<i>190.00</i>	<i>Non</i>
<i>Custom Package</i>	<i>2</i>	<i>Customized Photography Package from Session</i>	<i>750.00</i>	<i>1500.00</i>	<i>Tax</i>

Table 7-4 Item descriptions

10. Accept the default for all other fields on the *Invoice*. Click **OK** if you get a pop-up window regarding custom price levels. Save and print the **Invoice**.
11. Save the new **Terms** and **Tax Items** when prompted.

